

First U.S. Army Cost-Avoidance Strategies Achieve Real Results

First Army Public Affairs Office

At First Army, cost avoidance is not just another catchphrase, but rather a concrete principle incorporated into every aspect of training and mobilization operations. While First Army's top priority is to provide the best training in the world to mobilized Army National Guard (ARNG) and U.S. Army Reserve (USAR) units preparing for war, accomplishing that mission doesn't have to come at a premium price.

The mission-essential, immersive training USAR and ARNG Soldiers receive from the Combat Training Centers (CTCs) and mobilization installations such as Camp Shelby, Hattiesburg, MS, helps prepare them for real-world combat operations in Iraq and Afghanistan. For First Army, the 3rd Training Support Brigade, 87th Division, has performed that mission admirably over the past two years. Here, Soldiers from the 1st Scout Platoon, Delta Co., 155th Brigade Combat Team, 11th Armored Cavalry Regiment, clear a building of insurgents in Al Iskandariyah, Iraq. (U.S. Air Force photo by A1C Kurt Gibbons III.)

"Cheap is good," said LTG Russel L. Honoré, Commanding General, First Army. "It doesn't mean we sacrifice the quality of our service. It means we use innovation and creativity to increase quality while avoiding costs."

The First Army staff and subordinate commands have taken their commander's guidance to heart, implementing significant cost-avoidance measures and saving millions in taxpayers' dollars. In developing its cost-avoidance strategy, First Army conducted a thorough review of cost-producing activities at all the mobilization sites in the unit's area of responsibility. The study looked at using better business practices, the proper use of labor, eliminating duplication and excess capability, identifying hidden costs and collaborating at various training sites to learn what was charged for like services in different regions of the country.

By evaluating and comparing costs at different installations, First Army developed a cost comparison model to establish a fair price for a product or service supporting mobilization. If there is a significant difference in price for the same service in two or more regions, First Army then uses that data to leverage a better price in the more expensive areas.

"The initiative ensures dollars are spent in an intelligent way on things that are actually needed," said Deborah Murphy, Acting First Army Resource Management Director. "In today's environment of competing resource needs, we must make every effort to eliminate waste wherever possible."

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Mobilizing for War

Although First Army has always done its best to be a good steward of government resources, its deliberate campaign to eliminate and avoid unnecessary costs really began in earnest in the summer of 2004 during the stand up of mobilization station Camp Shelby. First Army's mission was to create a first-class mobilization and training site at the state-owned installation, basically from scratch, and begin training a brigade combat team (BCT) for war within weeks.

With a blank canvas at Camp Shelby, Honoré's vision was to create a CTC-like environment that would replicate conditions in theater as much as possible and maximize the use of training time and resources. "When Soldiers get off the bus at the mobilization station, they must feel they have arrived in Iraq or Afghanistan," Honoré remarked. "I call this approach theater immersion training. This concept has developed into a definitive, proven training methodology employed across the entire First Army area of operations today."

Transforming the southern Mississippi pine forest into the combat zones of Iraq and Afghanistan was no small feat for First Army and its lead training element at Camp Shelby, the 3rd Brigade, 87th Division (Training Support). Time was critically short



Forward Operating Base "Hurricane Point" at Camp Shelby, MS, was stood up in the summer of 2004 to create a first-class mobilization and training site. (Photo courtesy of Camp Shelby Public Affairs Office.)

and the Training Support Brigade's (TSB) logistics section was not organized, manned or equipped for this wartime task.

"The TSB S-4 (logistics) section was originally designed to support daily peacetime operations and surge logistical support operations to Observer Controller/Trainers as they trained, providing support to Reserve Component units during annual training periods," remarked MAJ James A. Mosser, Executive Officer, 3rd TSB. "The typical TSB S-4 section is very austere."

The logical answer to the time and organic resource constraints was to establish commercial contracts to make up the shortfalls, but the ensuing cost estimates left the First Army commanding general with sticker shock, and "cost avoidance" quickly became the new watchword across the command.

"LTG Honoré was very concerned with the prospect of spending significant dollars on commercial contracts without the assurance that every single other option had been explored first," Murphy explained. "He challenged the command to take a hard look at every cost-producing activity in the mobilization process, and he personally reviews every expenditure in excess of \$100,000."

"Because of the time constraints, we were forced initially to accept higher costs for our first BCT," said COL Daniel L. Zajac, Commander, 3rd TSB. "But with the command emphasis from LTG Honoré and the help of the First Army Resource Management Office, we have made great strides in reducing costs with every training rotation."

Camp Shelby has trained four BCTs and dozens of smaller units since its birth as a mobilization station a year ago. The following are some of the major cost-avoidance initiatives undertaken there:

- *Creative Reorganization.* The first step to implementing an effective cost-avoidance strategy was to put the people and structure in place to get the job done. As previously mentioned, the traditional TSB S-4 section is not designed to handle a task of this scope. To remedy this, the TSB reorganized its logistics section into a support operations section built around the major cost-related functions: supply and services, lodging coordination, purchasing and contracting, warehouse operations, contingency operations, funds management and construction/engineering. The brigade found Soldiers within its organic units and mobilized others with the necessary skills and experience to fill the new positions in each functional area.

- *Borrowed Equipment.* Supporting theater immersion training and BCT deployment activities required a significant increase in tactical, transportation, maintenance, fuel, power-generation and material-handling vehicles and equipment. Instead of contracting for this equipment, the TSB canvassed First Army and other units from across the Southeastern United States, borrowing more than 150 items to include tractor-trailers, 5-ton cargo trucks, water trailers, fuel tankers, forklifts and generators. The total savings compared to commercial contract equivalents was more than \$3 million.
- *Reutilized Equipment.* The Defense Reutilization and Marketing Service (DRMS) is the DOD agency charged with the disposition of excess property from all of the services. Thousands of items are available for free issue and reutilization for DOD entities. Surplus equipment can be accessed through the Internet at <http://gsaccess.gov>. The TSB at Camp Shelby searched the Web site weekly to find items it could use for theater immersion training. Items acquired included camouflage nets, tents, digital cameras and cell phones. The old cell phones were used to replicate trigger devices for improvised explosive devices used in the combat zone. In total, more than 200 items were recovered from DRMS, saving about \$200,000.

- *Contracted Lodging.* Another cost-avoidance challenge



To increase training realism and authenticity, several Iraqi and Afghan villages were replicated, complete with traffic control points, live-fire "shoot houses" to train building-clearing techniques, minarets for mosques and low-hanging utility wires. (Photo by Phil Manson, First Army Public Affairs Office.)

was that the training timelines for the different BCTs at Camp Shelby overlapped — meaning that for most of the last year there have been two BCTs in different phases of training simultaneously. That required First Army to augment Camp Shelby with a second TSB from Fort Knox, KY, and mobilize additional Soldiers to support both BCTs. The result was that more than 700 training personnel required temporary lodging at Camp Shelby. Using its cost-comparison model, First Army was able to negotiate lodging contracts with local hotels and apartment owners for a considerable daily savings from the authorized per diem rate for the area. For a 12-month period, this initiative saved more than \$2.2 million.

FOB Construction

One of the critical pieces of theater immersion is replicating the FOBs where the Soldiers will live and conduct operations from within the theater. At Camp Shelby, the TSB constructed three battalion-sized FOBs, consisting of 8-foot berms, entry control points, sleep tents, a tactical operation center, blast protection walls, hygiene trailers, guard towers, concertina wire and electrical power. The TSB's newly formed construction and engineering section, affectionately referred to as the "Acorn Construction Co.," took the lead on the projects with the help of the TSB's logistics support battalion. The 223rd



A Soldier peers out from his perimeter defensive position at Forward Operating Base (FOB) Hurricane Point, Camp Shelby. First Army's theater immersion training replicates, as much as possible, the conditions and potential situations Soldiers may face once they deploy to Iraq or Afghanistan. (Photo by Phil Manson, First Army Public Affairs Office.)

Engineer Battalion, Mississippi ARNG provided the bulk of the groundwork for one FOB as part of its annual training, saving \$150,000 in contract costs. Internal operators using loaned equipment saved \$400,000 and designing/building the guard towers internally saved \$75,000. Consolidation of tentage from across First Army saved \$148,000. Using a sandbagging machine from range control and a labor force courtesy of the Mississippi Department of Corrections to fill 300,000 sandbags saved another \$300,000 in contract labor costs. In total, cost-avoidance measures saved \$1.1 million in FOB construction costs.

Replicating Iraqi and Afghan villages is also a key aspect of theater immersion training, allowing company-sized formations to interact with "local" leaders and citizens and deal with insurgents who may be using a village as a base of operations. The rectangular structures common in Iraq and Afghanistan were well represented by 40- and 20-foot steel shipping containers. Instead of using new containers costing an average of \$14,000 each, the TSB found used containers for \$2,100 for the 40-foot versions and \$1,500 for the 20-footers. Acorn Construction enhanced the realism of the structures by adding windows and doors, minarets for mosques, privacy walls, municipal and election building facades, taxi stands, tunnels, tombs and low-hanging utility wires. The estimated savings per village was

\$119,000 versus new containers and contract labor. There were five villages built at a total savings of \$595,000.

Another project to increase the realism of training was the construction of two "live-fire shoot houses." These buildings are used to train building-clearing techniques with live ammunition. After studying designs from other installations, Acorn Construction and the logistics support battalion built the two structures with organic or loaned resources and locally purchased materials. This saved the taxpayer approximately \$1.2 million compared to contractor costs to build the same facilities.

Civilians on the Battlefield (COB)

Theater immersion training would not be possible without civilians playing the roles of people our troops will encounter in their day-to-day duties once deployed. They represent mayors, police chiefs, religious leaders and insurgents. Many are actually Iraqi and Afghan Americans who speak the native languages and are intimately familiar with the customs and culture in the theater of operations. With 300 COBs required, a labor contract was the only option. However, the specifics of the contract were closely scrutinized to find ways to avoid costs. For example, management positions were streamlined, on-post lodging was used and meals were provided at government dining facilities. Also, detailed planning ensured that

COBs were not present when training ceased. Total cost avoidance from original contractor estimates for COBs was more than \$2 million.

Garrison Operations

In addition to the TSB, the garrison operations command at Camp Shelby did its part to

reduce total operating costs. Through detailed cost and efficiency analysis, savings were realized through leased vehicle modification or elimination, porta-john, temporary storage, labor and shelf-stable food contracts for a total savings of about \$1.3 million.

First Army Implementation

As First Army learned cost-avoidance lessons at Camp Shelby, it quickly moved to implement those measures at its 10 other active mobilization sites in the Eastern United States with impressive results. For example, the single modification of using contracted and on-post lodging or barracks and installation full food service (dining facilities) saved more than \$12 million.

In turn, as other installations discover creative ways to avoid costs, those initiatives are immediately shared with all the mobilization stations in First Army. Just like the training that First Army provides to America's finest, cost avoidance is an evolving strategy that is constantly improving. The ultimate goal is to achieve a confident level of cost avoidance by eliminating all non-value-added activities, maintaining high levels of quality in the training provided and continually improving all aspects of fiscal spending, while ensuring commanders and Soldiers have the resources to meet deployment timelines. In summary, it's been a win-win endeavor for First Army and the units it is responsible for training.



Using real expatriates as COBs added realism to the Soldier's theater immersion program training experience at Camp Shelby. Through careful negotiation of labor contracts, and leveraging by providing on-post housing and dining facilities for the COBs, more than \$2.2 million in cost avoidance was achieved over the original contract proposals. (Photo by Phil Manson, First Army Public Affairs Office.)

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